



ENTERED
11/21/2016

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF TEXAS

CORPUS CHRISTI DIVISION

In Re:	§	
	§	
GERONIMO S. LEAL, SR.,	§	Bankruptcy No. 15-20231
	§	
Debtor.	§	Chapter 11
	§	
	§	
GERONIMO S. LEAL, SR.	§	
	§	
v.	§	Adversary No. 15-02007
	§	
THOMAS E. PEREZ, Secretary,	§	
Department of Labor.	§	
	§	

AMENDED CONSENT ORDER

RECITALS

WHEREAS, Coastal Mail Service, Inc. ("Coastal") had contracts 78330 and 779A3 to provide mail transportation for the United States Postal Service ("Postal Service"), which contracts were in effect as of June 9, 2015;

WHEREAS, Geronimo Leal, Sr. ("Leal") and his d/b/a, L&A Mail Truck Lines ("L&A"), previously had contracts to provide mail transportation for the Postal Service, which contracts were no longer in effect as of June 9, 2015;

WHEREAS, on January 8, 2015, the United States Department of Labor ("DOL") notified the Postal Service that Leal had failed to pay Service Contract Act ("SCA") wages and benefits, and owed backpay of \$188,593.43 under contracts 78134, 77930, 78032, 78336, 780L5, 78030,

785L0, 780L2, 78330, and 79940;

WHEREAS, on January 8, 2015, DOL notified the Postal Service that L&A had failed to pay SCA wages and benefits and owed backpay of \$9,104.84 under contracts 766M1 and 785L0;

WHEREAS, on January 8, 2015, DOL notified the Postal Service that Coastal had failed to pay SCA wages and benefits and owed backpay of \$5,990.10 under contracts 779A3 and 78330;¹

WHEREAS, DOL asserted that cross-withholding of funds from payments due under contract numbers 779A3 and 78330 was authorized if funds were unavailable on the contracts identified above;

WHEREAS, as of and prior to June 9, 2015, and in compliance with the authority asserted by DOL, the Postal Service withheld a total of \$203,688.37 from payments due Coastal under contracts 779A3 and 78330;

WHEREAS, on June 9, 2015, Leal filed for bankruptcy relief under Chapter 13 in Case Number 15-20231-C-13; and

WHEREAS, Leal's Chapter 13 case was converted to Chapter 11 by order entered September 10, 2015 in Case Number 15-20231-11.

¹ Although DOL's letter referenced "L&A Mail Truck Lines/Coastal Mail Truck Lines" as the "Contractor", the referenced contracts were awarded only to Coastal, a Texas corporation.

AGREED ORDER

THEREFORE, it is **AGREED** by DOL, the Postal Service, Coastal, L&A, Leal, and the debtor in possession in Case No. 15-20231-11, and it is **ORDERED** by this Court as follows:

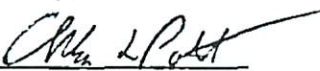
1. Within 14 days, the Postal Service will transfer \$60,000.00 of the withheld funds to DOL;
2. Within 14 days, the Postal Service will transfer \$143,688.37 of the withheld funds to Coastal, and Coastal agrees to transfer \$15,094.94 of those funds to L&A;
3. Except as provided below, the Postal Service will withhold and transfer to DOL \$5,000.00 per month from payments due Coastal under contracts 779A3 and 78330, until the Postal Service has transferred a total of \$203,688.37 to DOL pursuant to this order;
4. The Postal Service is released from any and all claims by DOL, Coastal, L&A, Leal, and the debtor in possession in Case Number 15-20231-11 concerning, relating to, or arising from the withholding and disbursement of the above-described funds;
5. Nothing in this order infringes upon or abridges any of the Postal Service's rights under its contracts with Coastal, including its rights to terminate those contracts, either for default or with notice;
6. If the Postal Service exercises its right to terminate its contracts with Coastal, it will have

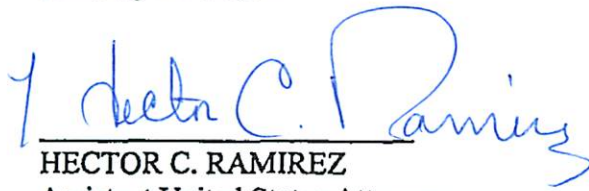
no obligation to continue withholding and transferring payments to DOL, and its obligations under this order will cease;


7. The Postal Service's contracts with Coastal are not subject to the automatic stay in this case; and


8. If the Postal Service elects to terminate its contract with Coastal, it may do so without seeking leave of this Court or any other party.

AGREED:


ALLAN L. POTTER
Attorney at Law
Attorney for Debtor


HECTOR C. RAMIREZ
Assistant United States Attorney
Attorney for Postal Service


LANCE DUKE
Assistant United States Attorney
Attorney for DOL


Marvin Isgur
United States Bankruptcy Judge

Signed: November 21, 2016

A handwritten signature in black ink, reading "Geronimo S. Leal, Sr." in a cursive script.

GERONIMO S. LEAL, SR.

Individually, and as

Debtor in Possession, and for

L&A Mail Truck Lines and for

Coastal Mail Services, Inc.